

UNCLAS //N07500//

ALCOAST 486/12

COMDTNOTE 7500

SUBJ: FISCAL YEAR (FY) 2012 USCG FINANCIAL AUDIT RESULTS

1. Yesterday, I received the audited DHS annual financial report with the independent auditor providing a qualified opinion that our account balances were fairly represented. Now I'm not an accountant or an auditor, and I know many of you are not either. But this is a very big deal for the Coast Guard and DHS. Our Secretary gave us her personal thanks. No other Armed Service has been able to accomplish this. Well done, shipmates.

2. The Coast Guard has continued its commitment to fiscal stewardship by expanding efforts to remediate material weaknesses reported by the independent auditors in 2011 and by improving our internal controls over financial reporting. In FY 2011, the auditors reviewed two of our five financial statements. In FY 2012, the financial statement audit was significantly expanded to a full scope audit to cover all five statements.

3. Field units, logistics and service centers, and headquarters elements made remarkable progress toward our goal of attaining a clean opinion, meaning no identified issues with the quality of our financial data and records. Our achievements with real property accountability, inventory control point parts management, financial system data reconciliation, compliance with financial management and procurement policies and procedures, and open obligation validation allowed our financial information to be successfully audited. We still need to improve personal property recordkeeping and compliance with inventory procedures, and this year will do so.

4. We are committed to achieving a clean opinion on the audit, and the FY 2013 audit will soon be underway. We will need to demonstrate sustained compliance with policies and procedures. This ambitious effort will involve everyone in the Coast Guard and it will require your continued support, coordination and patience. Thank you for your continued efforts to ensure proper stewardship and accountability for the American public.

5. Stand a taut watch. Semper Paratus.

6. Admiral Bob Papp, Commandant, sends.

7. Internet release authorized.